GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:444
ANSWERED ON:20.11.2007
MISUSE OF EXPORT ORIENTED UNITS SCHEME
Chavda Shri Harisinh Pratapsinh;Singh Deo Smt. Sangeeta Kumari

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has stopped granting approval for setting up of export oriented units;

(b) if so, the details thereof alongwith the reasons therefor;

(c) whether the Government has not been able to check the fraudulent activities of the said units;

(d) if so, the reasons therefor;

(e) the details of punishments given to such firms; and

(f) the steps taken/proposed to be taken by the Government to prevent misuse of such schemes?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH)

(a) & (b) : No, Sir.

(c) & (d) : No, Sir.

(e) & (f) : Any misuse by the Export Oriented Units (EOUs) result in fiscal penalties and even suspension/cancellation of the EOU status under the provisions of Foreign Trade (Development and Regulation) Act, 1992 besides penal action under the provisions of the Central Excise & Customs Acts. Before approval of a new unit, report is called by the Unit Approval Committee (UAC) from all the Development Commissioners and wherever any such misuse is detected, the said person cannot obtain new EOU approval anywhere in the country.